25th September 1956]

Arrears of inter-State Sales Tax

*203 Q.—Sri N. K. PALANISAMY : Will the Hon. the Minister for Revenue be pleased to state— 9-10 a.m.

(a) the amount of arrears of sales tax due to Government on inter-State transactions during the years 1954, 1955 and 1956; and

(b) the steps taken by the Government to recover them?

The Hon. Sri M. A. MANICKAVELU : (a) & (b) The Special Circle for assessing non-resident dealers, which was formed in May 1954, had to suspend its activities, as a result of the Supreme Court Judgment, dated 6th September 1955, holding that the States have no power to levy sales tax on inter-States' transactions. In view of the Sales Tax Laws Validation Act, 1956, validating the States' Laws Levying sales tax on inter-State transactions during the period from 1st April 1951 to 6th September 1955, the activities of the Special Circle have been resumed. Except in two cases, no final assessments had been made till 5th July 1956. The arrear position cannot, therefore, be stated now. With the additional staff recently sanctioned for the Special Circle, the work is expected to be pushed through quickly.

Sri N. K. PALANISAMY : May I know, Sir, whether the Government have spent more money on the staff and other things than what they expect to realize?

The Hon. Sri M. A. MANICKAVELU : I have not got the exact figures with me about the money spent on the staff, etc. But, I may inform the hon. Member that Government have collected up to 15th July 1956 Rs. 42,56,000 odd and the total estimated revenue under this head is Rs. 1,41,71,000 odd. I submit the money spent on the administration is not much.

Convictions for non-payment of sales tax

*204 Q.—Sri N. K. PALANISAMY : Will the Hon. the Minister for Revenue be pleased to state the number of persons arrested and the number convicted for non-payment of sales tax during the year 1955?

The Hon. Sri M. A. MANICKAVELU : Number arrested 97. Number convicted 2,954.

Sri N. K. PALANISAMY : Sir, since the business men in the State are acting as the humble agents of the Government and simply collect the tax from the people and remit it to Government without putting the Government to any loss, will the Government consider the question of amending the Sales Tax Rules so that in future at least no business man would be harassed by arresting and putting him in jail?

The Hon. Sri M. A. MANICKAVELU : Now, there is no question of putting any defaulter in jail. That has been removed. The number mentioned as convicted in the answer mostly refers to fines.